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PROGRAMME AND BUDGET

Report on the financial performance of the Convention budget for 1999

Note by the secretariat

Addendum

1. By decision 6/COP.2, the Executive Secretary was requested to report to the Conference of the Parties at its third session, on the financial performance of the Convention budget for 1999.

2. Annexed herewith is the report on the financial performance of the Global Mechanism budget for 1999[1/], as received from the International Fund for Agricultural Development on 13 October 1999, for consideration by the COP.

1/ The report is reproduced without formal editing by the Convention secretariat.

The attached budget table provides information on the developments in the Global Mechanism budget in 1999. The budget has been revised twice, as indicated. Cumulative commitments at 31 August 1999 are shown, together with projected expenditure and the projected balance at 31 December 1999. Cumulative expenditure at 31 August 1999 was 37 per cent and total projected expenditure at year-end is estimated at 92 per cent.

The table also indicates savings made on staff budget lines (39 per cent on Professional staff and 44 per cent on General Service staff). These savings are due to the fact that the recruitment process for professional staff has taken considerably more time than originally anticipated. The recruitment of General Service staff is, of course, related to the recruitment of Professional staff, hence the saving on that budget line is a direct consequence of the lengthy recruitment process for Professional staff.

Reallocations with respect to the original budget have mostly been from the "staff cost" component of the budget to "professional consultants' fees" and "media, communications and networking". These two budget lines have increased by 311 and 386 per cent respectively, compared to the original budget estimate.

As regards "professional consultants' fees", the funds have been reallocated to support the development of the subregional action programme for West Asia, and for consultancies to assist the office of the Global Mechanism in developing the database, the debt initiative and the formulation of national desertification funds. Further support to the International NGO Network on Desertification and Drought (RIOD) in developing its active participation in the Convention process, based on discussions at the RIOD global meeting and consultations between RIOD and the Global Mechanism, may be charged against this budget line before year-end.

As regards the increase in the budget line "media, communications and networking", funds have been allocated to support the Permanent Inter-State Committee for Drought Control in the Sahel in moving from the planning to the implementation phase of the subregional action programme for West Africa. Two harmonization workshops aiming at synchronizing the national action programmes of Burkina Faso and Senegal with the Soil Fertility Initiative, supported by the World Bank, the Food and Agriculture Organization of the United Nations and others, have also been financed from this budget line. It has also been used to support the RIOD global meeting, a workshop organized by the office to Combat Desertification and Drought on climate and drought forecasting, the FIDAmerica Computerised Conference and the production of a pamphlet on the Global Mechanism.

The budget shows a positive balance at year-end of US$ 68,509. Given that 1999 is the first year of Global Mechanism operations, the time required for staff recruitment and the inevitable time allocated to the development of the Global Mechanism's operational strategy and the setting-up of its operations, its absorptive capacity has been limited. As the Global Mechanism starts its second year with many of the basic prerequisites for efficient operation in place, the absorptive capacity for the year 2000 will, logically, be considerably higher. The budget estimates that have been submitted for the years 2000 and 2001 reflect the above, which may be viewed as a normal development for a newly established institution.

GM 1999 ORIGINAL APPROVED BUDGET / 1999 2nd REVISED BUDGET FOR APPROVAL				
BUDGET ITEMS	1999 Original Approved Budget USD	1st Revised Reallocations	Final Revised Reallocations	Final Revised Budget (to be approved) USD
1. STAFF COSTS				
Regular and Fixed Term Staff				
Professional				
Managing Director, D2-Step 1	153,636	10,000	(1,300)	162,336
Senior Programme Manager, P5	101,592	(45,152)	(15,400)	41,040
SPO Relocation/Recruitment Costs	40,635	(20,635)	(7,900)	12,100
Financial Analyst/Systems Manager, P4	72,520	(18,130)	(22,300)	32,090
FA/SM Relocation/Recruitment Costs	32,653	(19)	(9,500)	23,134
Programme Development Officer, P4	54,390	(18,130)	(36,260)	0
PDO Relocation/Recruitment Costs	32,634		(7,600)	25,034
Sub-Total Professional Allocation	**488,060**	**(92,066)**	**(100,260)**	**295,734**
General Service				
Administrative Assistant, G6 (G4)	74,090	(14,690)	(17,500)	41,900
Secretary to SPM, G4	44,550	(17,376)	(10,000)	17,174
Overtime		7,000	0	7,000
Sub-Total General Service Allocation	**118,640**	**(25,066)**	**(27,500)**	**66,074**
Temporary Support Allocation				
Professional Consultants' Fees	45,000	68,000	27,000	140,000
General Service	40,000	(3,000)	(13,500)	23,500
Sub-Total Temporary Support	**85,000**	**65,000**	**13,500**	**163,500**
TOTAL STAFF COSTS	**691,700**	**(52,132)**	**(114,260)**	**525,308**
3. OFFICE AND GENERAL EXPENSES				
(a) External Auditors' Fees & Expenses			5,000	5,000
(b) Office Equipment and Maintenance	20,000		0	20,000
(c) Hospitality	2,300	200	0	2,500
Sub-Total Office and General Expenses	**22,300**	**200**	**5,000**	**27,500**
4. OTHER OPERATIONAL EXPENSES				
(a) Duty Travel	140,000	2,000	0	142,000
(b) Media, Communications & Networking	36,000	42,000	61,000	139,000
(c) Publications	10,000	7,932	(7,248)	10,684
Sub-Total Other Operational Expenses	**186,000**	**51,932**	**53,752**	**291,684**
CONTINGENCY	100,000		(31,492)	68,508
TOTAL	**1,000,000**	**0**	**(87,000)**	**913,000**
Administration and Systems Support 8% of USD 913 000				**73,040**